Trust Fund Grant Agreement

(Gaza Emergency Cash for Work and Self-Employment Support)

between

INTERNATIONAL DEVELOPMENT ASSOCIATION
(acting as Administrator of Trust Fund for Gaza and West Bank)

and

NGO DEVELOPMENT CENTER

Dated 14th August, 2018
AGREEMENT, dated 14th August 2018, between the INTERNATIONAL DEVELOPMENT ASSOCIATION, acting as administrator of the Trust Fund for Gaza and West Bank (the “World Bank”), established on October 19, 1993, by Resolution No. 93-11 and IDA 93-7, as amended by Resolution No. 95-6 and IDA 95-3 and Resolution No. 96-11 and IDA 96-7, and as further amended by Resolution No. 99-3 and IDA 99-2 and Resolution No. 03-193 and IDA 03-208, of the Executive Directors of the International Bank for Reconstruction and Development and the International Development Association (the “Trust Fund”), and the NGO Development Center (the “Recipient”).

WHEREAS (A) the Board of Governors of the International Bank for Reconstruction and Development and the International Development Association has resolved, on July 24, 2018, to inter alia, replenish the Trust Fund in the amount of ninety million United States Dollars ($90,000,000), such amount to be transferred from the surplus of the International Bank for Reconstruction and Development and to be used for financing rehabilitation projects in parts of the Gaza Strip (“Gaza”) and the West Bank (“West Bank”), which are under the jurisdiction of the Palestinian Authority.

(B) the Palestine Liberation Organization and the Government of the State of Israel have entered, on September 28, 1995, into an agreement which, among other things, sets out certain interim self-government arrangements in Gaza and the West Bank (the “Interim Agreement”):

(C) Section 5(b) of Article IX of the Interim Agreement authorizes the Palestine Liberation Organization to conduct negotiations and, in certain cases described thereunder, sign agreements with states and international organizations for the benefit of the Palestinian Authority:

(D) the Palestine Liberation Organization, through the Palestinian Authority, having satisfied themselves as to the feasibility and priority of the project described in Schedule 1 to this Agreement (the “Project”), have requested the World Bank to assist in financing the project described in Schedule 1 to this Agreement (“Project”); and

(E) the Palestinian Authority, through its letter to the World Bank, dated July 18, 2018, has agreed that the Grant amount set forth in Section 3.01 of this Agreement be provided directly to the Recipient under the terms and conditions set forth in this Agreement:
WHEREAS the World Bank has agreed, on the basis, *inter alia*, of the foregoing to extend the Grant to the Recipient upon the terms and conditions set forth in this Agreement.

The Recipient and the World Bank hereby agree as follows:

**ARTICLE I - STANDARD CONDITIONS; DEFINITIONS**

1.01. The Standard Conditions for Grants Made by the World Bank out of Various Funds, dated February 15, 2012 ("Standard Conditions"), with the modifications set forth in the Appendix to this Agreement, constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the Standard Conditions or in this Agreement.

**ARTICLE II - THE PROJECT**

2.01. The Recipient declares its commitment to the objective of the Project. To this end, the Recipient shall carry out the Project in accordance with the provisions of Article II of the Standard Conditions.

2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, and except as the Recipient and the World Bank shall otherwise agree, the Recipient shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

**ARTICLE III - THE GRANT**

3.01. The World Bank agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a grant in an amount equal to seventeen million United States Dollars ($17,000,000) ("Grant") to assist in financing the Project.

3.02. The Recipient may withdraw the proceeds of the Grant in accordance with Section IV of Schedule 2 to this Agreement.

**ARTICLE IV - REMEDIES OF THE WORLD BANK**

4.01. The Additional Event of Suspension referred to in Section 4.02 (k) of the Standard Conditions consists of the following:

(a) IBRD or IDA has declared the Recipient ineligible to receive proceeds of any financing made by IBRD or IDA, or otherwise to participate in the preparation or implementation of any project financed in whole or in part by
IBRD or IDA (including as administrator of funds provided by another financier), as a result of: (i) a determination by IBRD or IDA that the Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA; and or (ii) a declaration by another financier that the Recipient is ineligible to receive proceeds of financings made by such financier or otherwise to participate in the preparation or implementation of any project financed in whole or in part by such financier as a result of a determination by such financier that the Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of a financing made by such financier:

(b) as a result of events which have occurred after the date of this Agreement, an extraordinary situation has arisen which makes it improbable that the Recipient will be able to perform its obligations under this Agreement:

(c) the Legal Instrument(s), pursuant to which the Recipient has been established and is operating, has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Recipient to perform any of its obligations under this Agreement; and

(d) the World Bank has determined after the Effective Date referred to in Section 5.03 of this Agreement that prior to such date but after the date of this Agreement, an event has occurred which would have entitled the World Bank to suspend the Recipient's right to make withdrawals from the Grant Account if this Agreement had been effective on the date such event occurred.

ARTICLE V - EFFECTIVENESS; TERMINATION

5.01. This Agreement shall not become effective until evidence satisfactory to the World Bank has been furnished to the World Bank that the conditions specified below have been satisfied in a manner and in form and substance satisfactory to the World Bank, namely that execution and delivery of this Agreement on behalf of the Recipient have been duly authorized or ratified by all necessary corporate actions.

5.02. As part of the evidence to be furnished pursuant to Section 5.01(a), there shall be furnished to the World Bank an opinion or opinions satisfactory to the World Bank of counsel acceptable to the World Bank or, if the World Bank so requests, a certificate satisfactory to the World Bank of a competent official of the Recipient, showing that this Agreement has been duly authorized or ratified by, and executed and delivered on behalf of the Recipient and is legally binding upon it in accordance with its terms.
5.03. Except as the Recipient and the World Bank shall otherwise agree, this Agreement shall enter into effect on the date upon which the World Bank dispatches to the Recipient notice of its acceptance of the evidence required pursuant to Section 5.01 ("Effective Date"). If, before the Effective Date, any event has occurred which would have entitled the World Bank to suspend the right of the Recipient to make withdrawals from the Grant Account if this Agreement had been effective, the World Bank may postpone the dispatch of the notice referred to in this Section until such event (or events) has (or have) ceased to exist.

5.04. This Agreement and all obligations of the parties under it shall terminate if it has not entered into effect by the date ninety (90) days after the date of this Agreement, unless the World Bank, after consideration of the reasons for the delay, establishes a later date for the purpose of this Section. The World Bank shall promptly notify the Recipient of such later date.

ARTICLE VI - REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative referred to in Section 7.02 of the Standard Conditions is its Director.

6.02. The Recipient’s Address is:

NGO Development Center
Al-Ram, West Bank

Telephone: 972 2 234 7771

Facsimile: 972 2 234 7776

6.03. The World Bank’s Address is:

International Development Association
1818 H Street, N.W.,
Washington, D.C. 20433
United States of America
AGREED at the West Bank as of the day and year first above written.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Authorized Representative

Name: Börn Ptkum

Title: Acting Country Director

NGO DEVELOPMENT CENTER

By

Authorized Representative

Name: Ghassan Kasabreh

Title: Director
SCHEDULE 1

Project Description

The objective of the Project is to provide Target Youth in Gaza with short term income support and increased access to internet-enabled self-employment opportunities.

The Project consists of the following parts:

Part 1: Cash for Work

Provision of Cash for Work Sub-grants to Selected NGOs to implement Cash for Work Sub-projects employing Target Youth.

Part 2: Internet-enabled self-employment (e-work)

Provision of E-Work Sub-grants to Selected Service Providers to provide e-work support (skills training and on-the-job support) to Target Youth.

Part 3: Project Management, Monitoring and Evaluation

Strengthening the NDC’s capacity for Project management, monitoring and evaluation through financing of office equipment, consultants’ services, including audit, Training and Incremental Operating Costs.
Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Recipient shall, and shall cause Selected NGOs and Selected Service Providers, to carry out the Project, including Sub-projects under Part 1 and Part 2 of the Project, in accordance with the Project Operations Manual, and shall not amend or waive said documents or any provision thereof, except with the prior written approval of the World Bank.

2. The Recipient shall be responsible for Project management and overall implementation, including administrative and financial management, disbursement, procurement, and monitoring and evaluation. To this end, the Recipient shall ensure that it maintains, until completion of the Project, procedures, resources and staff, including a project manager, a procurement specialist and a financial controller, adequate and sufficient for successful implementation of the Project.

3. The Recipient shall, no later than four (4) months after the Effective Date, hire an independent external auditor responsible for carrying out a quarterly spot check audit, and an annual audit of the Selected NGOs and Selected Service Providers, on terms of reference acceptable to the World Bank, which shall not be amended, throughout the life of the Project, without the approval of the World Bank.

4. The Recipient shall establish an Advisory Committee, with mandate and composition acceptable to the World Bank, responsible for review of the progress of the Project; coordinating between relevant government agencies to ensure alignment of the Project with the Palestinian Authority’s strategies, provision of strategic guidance and recommendations for the implementation of the Project, and provision of input on selection of the Selected NGOs, Selected Service Providers and Eligible Beneficiaries. The Advisory Committee shall include representatives of the Ministry of Labor, Ministry of Social Development, Ministry of Finance and Planning, and the Palestinian Fund for Employment and Social Protection.

B. Cash for Work Sub-Projects

1. For purposes of Part 1 of the Project, the Recipient shall select Selected NGOs to carry out Cash for Work Sub-Projects in accordance with the criteria, terms and guidelines set forth in the POM, which shall include, inter alia, the following eligibility criteria:
(a) Selected NGO is a non-governmental, non-profit and non-partisan organization with offices registered in the West Bank or Gaza for at least five years:

(b) Selected NGO has an operating office in the Gaza Strip for at least one year:

(c) Selected NGO has a proven track record working in poor and marginalized communities;

(d) Selected NGO possesses financial management and administrative systems to implement Cash for Work Sub-projects deemed acceptable to the World Bank; and

(e) Selected NGO has annually disbursed in funds no less than $200,000 between 2015 and 2017.

2. The Recipient shall make Cash for Work Sub-grants available to Selected NGOs to finance Cash for Work Sub-projects, under the Sub-grant Agreement, to be entered between the Recipient and the Selected NGO, which shall comply with the form and substance of the template included in the POM, including, inter alia, the following conditions:

(a) Payment of the first tranche equal to thirty percent of the Cash for Work Sub-grant to the Selected NGO shall be made upon the signing of the Sub-grant Agreement between the Recipient and the Selected NGO; and

(b) Subsequent payments, each tranche not exceeding thirty percent of the Cash for Work Sub-grant, shall be made upon confirmation of the satisfactory progress having been made in implementing the Sub-project, as documented by the performance indicators set forth in the POM and verified by the Recipient.

3. Cash for Work Sub-Projects shall be selected in accordance with criteria and selection procedures acceptable to the World Bank, as reflected in the POM.

4. The Recipient shall ensure that the Selected NGOs hire Eligible Beneficiaries and pay Stipends to Eligible Beneficiaries, in an amount set forth in the POM, all in accordance with eligibility, selection criteria and selection procedures acceptable to the World Bank and set forth in the POM, including the following requirements:

(a) Eligible Beneficiary shall be between the ages of 18 and 34:

(b) Eligible Beneficiary shall have been unemployed for at least one year before applying to participate in the Cash for Work Sub-project; and
(c) No more than one Eligible Beneficiary from a household may participate in any Cash for Work Sub-project.

5. In selecting the Eligible Beneficiaries, after consultation with the Advisory Committee, the Recipient shall ensure that the Selected NGOs give priority to Eligible Beneficiaries who are either: (i) registered in the household that is benefiting from the national Cash Transfer Program, as validated by the records of the Ministry of Social Development; or (ii) registered on the waiting list for the UNRWA Job Creation Programme, as validated by the records of UNRWA.

6. The Recipient undertakes that Sub-grants shall not be used to finance Excluded Expenditures. If the World Bank determines at any time that an amount of the Sub-grant was used to make a payment for an Excluded Expenditure, the Recipient shall promptly refund an amount equal to the amount of such payment to the World Bank.

7. Each Sub-grant Agreement shall include the following terms and conditions and other such conditions as may be specified in the POM:

(a) the Recipient shall require each Selected NGO to: (i) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including requirements of the Project Operations Manual and the provisions of the Anti-Corruption Guidelines applicable to recipients of Grant proceeds other than the Recipient; (ii) ensure that the amounts made available under the Sub-grants are used exclusively to make payments in accordance with the detailed provisions of the POM and in compliance with the Anti-corruption Guidelines; (iii) provide, promptly as needed, the resources required for the purposes of the Sub-project; (iv) procure the goods, works and services to be financed out of the Sub-grant in accordance with the provisions of this Agreement and the procedures set forth in the procurement manual; (v) maintain policies and procedures adequate to monitor and evaluate the progress of the Sub-project and the achievement of its objectives in accordance with indicators acceptable to the World Bank; (vi) enable the Recipient and the World Bank to inspect the Sub-project, their operations and any relevant records and documents; (vii) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the Sub-project; and (viii) promptly refund to the Recipient, for further refund to the World Bank, any proceeds of the Sub-grants not used in accordance with the Sub-grant Agreement, or otherwise utilized in a manner inconsistent with the provisions of this Agreement.
8. The Recipient shall exercise its rights under each Sub-grant Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Sub-grant Agreement or any of its provisions.

C. E-Work Sub-projects

1. For purposes of Component 2 of the Project, the Recipient shall select Selected Service Providers to carry out E-Work Sub-projects in accordance with the criteria, terms and guidelines set forth in the POM, which shall include, \textit{inter alia}, the following eligibility criteria:

(a) Selected Service Provider is a non-governmental, non-profit and non-partisan organization with offices registered in the West Bank or Gaza for at least three years;

(b) Selected Service Provider has an operating office in the Gaza Strip for at least one year;

(c) Selected Service Provider possesses financial management and administrative systems to implement E-Work Sub-projects deemed acceptable by the World Bank; and

(d) Selected Service Provider has annually disbursed funds in an amount no less than $200,000 between 2015 and 2017.

2. The Recipient shall make E-Work Sub-grants available to Selected Service Providers to finance E-Work Sub-projects, under the Sub-grant Agreement, to be entered between the Recipient and the Selected Service Providers, which shall comply with the form and substance of the template included in the POM, including, \textit{inter alia}, the following condition:

(a) Payment of the first tranche equal to 30 percent of the E-Work Sub-grant to the Selected Service Provider shall be made upon the signing of the Sub-grant Agreement between the Recipient and the Selected Service Provider;

(b) payment of the subsequent two tranches of 25 percent of the E-Work Sub-grant shall be made upon confirmation of the satisfactory progress having been made in implementing the Sub-project, as documented by the performance indicators set forth in the POM and verified by the Recipient; and

(c) payment of the final tranche equal to 20 percent of the E-Work Sub-grant shall be made upon confirmation that at least 30 percent of Eligible
Beneficiaries have engaged in at least one paid e-work activity as documented by an audit conducted by the Recipient.

3. E-Work Sub-projects and Eligible Beneficiaries shall be selected in accordance with criteria and selection procedures acceptable to the World Bank, as reflected in the POM, including the following requirements for selecting Eligible Beneficiaries:

   (a) Eligible Beneficiary shall be between the ages of 18 and 34;
   
   (b) Eligible Beneficiary shall have been unemployed before applying to participate in the E-Work Sub-project; and
   
   (c) no more than one Eligible Beneficiary from a household may participate in any E-Work Sub-project.

4. The Recipient shall ensure that the Selected Service Providers pay a cash contribution to Eligible Beneficiaries to reimburse them for their reasonable travel expenses, in an amount set forth in the POM, all in accordance with eligibility, selection criteria and selection procedures acceptable to the World Bank and set forth in the POM.

5. The Recipient undertakes that Sub-grants shall not be used to finance Excluded Expenditures. If the World Bank determines at any time that an amount of the Sub-grant was used to make a payment for an Excluded Expenditure, the Recipient shall promptly refund an amount equal to the amount of such payment to the World Bank.

6. Each Sub-grant Agreement shall include the following terms and conditions and other such conditions as may be specified in the POM:

   (a) the Recipient shall require each Selected Service Provider to: (i) carry out its Sub-project with due diligence and efficiency and in accordance with sound technical, economic, financial, managerial, environmental and social standards and practices satisfactory to the World Bank, including requirements of the Project Operations Manual and the provisions of the Anti-Corruption Guidelines applicable to recipients of Grant proceeds other than the Recipient; (ii) ensure that the amounts made available under the Sub-grants are used exclusively to make payments in accordance with the detailed provisions of the POM and in compliance with the Anti-corruption Guidelines; (iii) provide, promptly as needed, the resources required for the purposes of the Sub-project; (iv) procure the goods, works and services to be financed out of the Sub-grant in accordance with the provisions of this Agreement and the procedures set forth in the procurement manual; (v) maintain policies and procedures
adequate to monitor and evaluate the progress of the Sub-project and the achievement of its objectives in accordance with indicators acceptable to the World Bank; (vi) enable the Recipient and the World Bank to inspect the Sub-project, their operations and any relevant records and documents; (vii) prepare and furnish to the Recipient and the World Bank all such information as the Recipient or the World Bank shall reasonably request relating to the Sub-project; and (viii) promptly refund to the Recipient, for further refund to the World Bank, any proceeds of the Sub-grants not used in accordance with the Sub-grant Agreement, or otherwise utilized in a manner inconsistent with the provisions of this Agreement.

7. The Recipient shall exercise its rights under each Sub-grant Agreement in such manner as to protect the interests of the Recipient and the World Bank and to accomplish the purposes of the Grant. Except as the World Bank shall otherwise agree, the Recipient shall not assign, amend, abrogate or waive any Sub-grant Agreement or any of its provisions.

D. Project Operations Manual

1. The Recipient shall carry out the Project in accordance with the project operations manual ("Project Operations Manual"), setting forth rules, methods, guidelines, and procedures for the carrying out of the Project, including, inter alia:

(a) detailed description of Project and institutional arrangements for implementing the Project;

(b) criteria and procedures to be applied for selection of the Sub-projects and Beneficiaries under Parts 1 and 2 of the Project;

(c) monitoring, evaluation, reporting, and governance procedures for the Project; and

(d) overall disbursement, financial management, auditing and procurement procedures for the Project.

2. In the event that any provision of the Project Operations Manual shall conflict with any provision of this Agreement, the provisions of this Agreement shall prevail. The Recipient shall not amend the Project Operations Manual without the prior written agreement of the World Bank.

E. Anti-Corruption

The Recipient shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.
Section II. **Project Monitoring, Reporting and Evaluation**

A. **Project Reports**

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 2.06 of the Standard Conditions and on the basis of the indicators agreed with the World Bank. Each Project Report shall cover the period of six (6) months, and shall be furnished to the World Bank not later than forty-five (45) days after the end of the period covered by such report.

2. The Recipient shall prepare the Completion Report in accordance with the provisions of Section 2.06 of the Standard Conditions. The Completion Report shall be furnished to the World Bank not later than three (3) months after the Closing Date.

B. **Financial Management, Financial Reports and Audits**

1. The Recipient shall ensure that a financial management system is maintained in accordance with the provisions of Section 2.07 of the Standard Conditions.

2. The Recipient shall ensure that interim unaudited financial reports for the Project are prepared and furnished to the World Bank not later than forty-five (45) days after the end of each calendar quarter, covering the quarter, in form and substance satisfactory to the World Bank.

3. The Recipient shall have its Financial Statements for the Project audited in accordance with the provisions of Section 2.07 (b) of the Standard Conditions. Each such audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the World Bank not later than six (6) months after the end of such period.

Section III. **Procurement**

All goods, consultants' services and non-consulting services required for the Project and to be financed out of the proceeds of the Grant shall be procured in accordance with the requirements set forth or referred to in the “World Bank Procurement Regulations for Borrowers under Investment Project Financing” dated July 1, 2016, as revised in November 2017 (“Procurement Regulations”).
Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Grant in accordance with the provisions of: (a) Article III of the Standard Conditions; (b) this Section; and (c) such additional instructions as the World Bank may specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated February 2017, as revised from time to time by the World Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Financing ("Category"), the allocations of the amounts of the Grant to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Grant Allocated (expressed in US Dollars)</th>
<th>Percentage of Expenditures to be Financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Sub-grants under Parts 1 and 2 of the Project</td>
<td>15,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) NDC Management Fee, Incremental Operating Costs and Training</td>
<td>1,500,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>17,000,000</td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of part A of this Section, no withdrawal shall be made prior to the date of this Agreement.

2. The Closing Date referred to in Section 3.06(c) of the Standard Conditions is October 31, 2021.
APPENDIX

Section I. Definitions


2. "Category" means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

3. "Cash for Work Sub-grant" means a grant made or proposed to be made to a Selected NGO by the Recipient out of the proceeds of the Grant to assist in financing Cash for Work Sub-Project under Section I.B of Schedule 2 to this Agreement.

4. "Cash for Work Sub-project" means a sub-project described in Section I.B of Schedule 2 to this Agreement, implemented in accordance with the POM.

5. "Eligible Beneficiary" means a beneficiary eligible to participate in the Cash for Work Sub-project under Part I or E-Work Sub-project under Part 2 of the Project, whose eligibility is determined according to criteria specified in the POM.

6. "Excluded Expenditure" means any expenditure:

   (a) for goods or services supplied under a contract which any national or international financing institution or agency other than the Bank or the Association has financed or agreed to finance, or which the Bank or the Association has financed or agreed to finance under another loan, credit, or grant:

   (b) for goods included in the following groups or sub-groups of the Standard International Trade Classification, Revision 3 (SITC, Rev. 3), published by the United Nations in Statistical Papers, Series M, No. 34 Rev. 3 (1986) (the SITC), or any successor groups or subgroups under future revisions to the SITC, as designated by the World Bank by notice to the Recipient:

<table>
<thead>
<tr>
<th>Group</th>
<th>Sub-group</th>
<th>Description of Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>112</td>
<td></td>
<td>Alcoholic beverages</td>
</tr>
<tr>
<td>121</td>
<td></td>
<td>Tobacco, un-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>manufactured, tobacco</td>
</tr>
<tr>
<td></td>
<td></td>
<td>refuse</td>
</tr>
<tr>
<td>122</td>
<td></td>
<td>Tobacco, manufactured</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(whether or not</td>
</tr>
<tr>
<td>525</td>
<td>Radioactive and associated materials</td>
<td></td>
</tr>
<tr>
<td>667</td>
<td>Pearls, precious and semiprecious stones, unworked or worked</td>
<td></td>
</tr>
<tr>
<td>718</td>
<td>Nuclear reactors, and parts thereof: fuel elements (cartridges), non-irradiated, for nuclear reactors</td>
<td></td>
</tr>
<tr>
<td>728</td>
<td>Tobacco processing machinery</td>
<td></td>
</tr>
<tr>
<td>897</td>
<td>Jewelry of gold, silver or platinum group metals (except watches and watch cases) and goldsmiths’ or silversmiths’ wares (including set gems)</td>
<td></td>
</tr>
<tr>
<td>971</td>
<td>Gold, non-monetary (excluding gold ores and concentrates)</td>
<td></td>
</tr>
</tbody>
</table>

(c) for goods intended for a military or paramilitary purpose or for luxury consumption;

(d) for environmentally hazardous goods, the manufacture, use or import of which is prohibited under the laws of the Recipient or international agreements to which the Recipient is a party:

(e) on account of any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and

(f) with respect to which the World Bank determines that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient or other recipient of the Grant proceeds, without the Recipient (or other such recipient) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur.

7. “E-Work Sub-grant” means a grant made or proposed to be made to a Selected Service Provider by the Recipient out of the proceeds of the Grant to assist in financing E-work Sub-Project under Section I.C of Schedule 2 to this Agreement.
8. "E-Work Sub-project" means a sub-project described in Section I.C of Schedule 2 to this Agreement, implemented in accordance with the POM.

9. "Incremental Operating Costs" means incremental operating costs incurred by the Recipient on account of the Project implementation, including: (a) operation and vehicle maintenance; (b) rent, operation and maintenance of office and office equipment; (c) transportation and travel, including per diem allowances for Project staff in travel status; (d) vehicles’ running costs; (e) office supplies, utilities and office administration, including translation, printing and advertising; (f) communication costs; (g) reasonable bank charges; (h) insurance premiums; (i) salaries and benefits, including worker-compensation insurance for staff working on the Project; and (j) other Project related miscellaneous costs as may be agreed with the World Bank.

10. "NDC" means the NGO Development Center, or Recipient.

11. "NDC Management Fee" means a fee for the administration expenses incurred by the Recipient in relation to the Project, as determined and defined in the detailed budget for the Project, as set out in the POM that describes the analysis of, and calculation for, the NDC Management Fee, acceptable to the World Bank, as such budget may be updated from time to time by agreement between the Recipient and the World Bank.

12. "Project Operations Manual" or "POM" means the project operations manual, dated July 17, 2018, describing procedures for implementation of the Project, consistent with the provisions of this Agreement and with applicable laws and regulations as the same may be amended from time to time with the agreement of the World Bank.

13. "Selected NGOs" means the non-governmental entities referred to in Section I.A.1 of Schedule 2 to this Agreement which meet the eligibility criteria in the POM and that are recipients of the Sub-grants provided or proposed to be provided under Part 1 of the Project.

14. "Selected Service Providers" means the non-for-profit entities referred to in Section I.C.1 of Schedule 2 to this Agreement which meet the eligibility criteria in the POM and that are recipients of the Sub-grants provided or proposed to be provided under Part 2 of the Project.

15. "Sub-grant" means a grant made or proposed to be made out of the proceeds of the Grant to a Beneficiary for purposes of a Sub-project under Part 1 or Part 2 of the Project in accordance with the provisions of the Project Operations Manual.

16. "Sub-grant Agreement" means any of the agreements entered into by the Recipient and a Selected NGO or a Selected Service Provider for implementation of either
Cash for Work Sub-project Pursuant to Section 1.B or E-Work Sub-project pursuant to Section 1.C of this Agreement and subject to the specific terms and conditions set forth in the POM.

17. “Sub-project” means a specific activity to be carried out by a Beneficiary in accordance with the provisions of the Project Operations Manual under Part 1 or Part 2 of the Project and to be financed by a Sub-grant.

18. “Stipend” means reasonable incidental costs to help Eligible Beneficiaries meet the cost of transportation and basic necessity for survival during participation in training in Cash for Work Sub-projects under Part 1 of the Project.

19. “Target Youth” means individuals age 18-34 residing in Gaza and meeting the requirements provided for in the POM.

20. “Training” means Project related study tours, training courses, seminars, workshops and other training activities, not included under service providers’ contracts, including costs of training materials, space and equipment rental, travel, accommodation and *per diem* costs of trainees and trainers, trainers’ fees, and other training related miscellaneous costs.


22. “UNRWA Job Creation Programme” means part of the Gaza Office Emergency Programme implemented by UNRWA, designed to help alleviate food insecurity and poverty in the Gaza Strip by providing short term employment opportunities to unemployed refugees.
Section II. Modifications to the Standard Conditions

The Standard Conditions are modified as follows:

1. "Section 2.09, Visits. The Recipient shall, throughout the implementation of the Project and for a period of ten (10) years thereafter:

   (a) enable representatives of the World Bank to visit any part of the West Bank and Gaza under the jurisdiction of the Palestinian Authority for purposes related to the Grant; and

   (b) enable the World Bank's representatives: (i) to visit any facilities and sites included in the Project; and (ii) to examine the goods financed out of the proceeds of the Grant, and any documents relevant to the performance of its obligations under the Grant Agreement."

2. Sub-section (a) of Section 3.07 is amended to read as follows:

   "Section 3.07, Financing Taxes.

   (a) The Grant Agreement may specify that the proceeds of the Grant may not be withdrawn to pay for Taxes levied by, or in the parts of West Bank and Gaza under the jurisdiction of the Palestinian Authority on or in respect of Eligible Expenditures, or on their importation, manufacture, procurement or supply. In such case, if the amount of any such Taxes decreases or increases, the World Bank may, by notice to the Recipient, adjust the percentage of such Eligible Expenditures to be financed out of the proceeds of the Grant specified in the Grant Agreement, as required to ensure consistency with such limitation on withdrawals."

3. Sub-sections (a) and (b) of Section 4.02 are deleted, and consequently, Sub-sections (b) through (k) are re-lettered as Sub-sections (a) through (i).

3. Re-lettered Sub-section (b) of Section 4.02 is amended to read as follows:

   "(b) Fraud and Corruption. At any time, the World Bank determines that any representative of the Recipient (or any agency thereof or any entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, or any other recipient of any of the proceeds of the Grant) has engaged in corrupt, fraudulent, coercive or collusive practices in connection with the use of the proceeds of the Grant, without the Recipient (or any such agency thereof or any such entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority or any other such recipient) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur."

4. Re-lettered Sub-section (c) of Section 4.02 is amended to read as follows:
“(c) Cross Suspension. IBRD or IDA has suspended in whole or in part the right of the Recipient or any agency thereof, or any entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, to make withdrawals under any agreement with IBRD or with IDA because of a failure by the Recipient, or any agency thereof, or any entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, to perform any of its obligations under such agreement or any other agreement with IBRD or IDA.”

6. Re-lettered Sub-section (f) of Section 4.02 is amended to read as follows:

“(f) Assignment of Obligations: Disposition of Assets. The Recipient or any other entity responsible for implementing any part of the Project has, without the consent of the World Bank; (i) assigned or transferred, in whole or in part, any of its obligations arising under or entered into pursuant to the Grant Agreement; or (ii) sold, leased, transferred, assigned, or otherwise disposed of any property or assets financed wholly or in part out of the proceeds of the Grant; provided, however, that the provisions of this paragraph shall not apply with respect to transactions in the ordinary course of business which, in the opinion of the World Bank: (A) do not materially and adversely affect the ability of the Recipient (or such other entity) to perform any of its obligations arising under or entered into pursuant to the Grant Agreement or to achieve the objective of the Project; and (B) do not materially and adversely affect the financial condition or operation of the Recipient (or such other entity).”

7. Re-lettered Sub-section (g) of Section 4.02 is amended to read as follows:

“(g) Condition of Recipient. If the Grant has been made to a Recipient which is not a member of IBRD:

(i) Any action has been taken for the dissolution, disestablishment or suspension of operations of the Recipient (or of any other entity responsible for implementing any part of the Project).

(ii) The Recipient (or any other entity responsible for implementing any part of the Project) has ceased to exist in the same legal form as that prevailing as of the date of the Grant Agreement.

(iii) In the opinion of the World Bank, the legal character, ownership or control of the Recipient (or any other entity responsible for implementing any part of the Project) has changed from that prevailing as of the date of the Grant Agreement so as to materially and adversely affect the ability of the Recipient (or such other entity) to perform any of its obligations arising under or entered into pursuant to the Grant Agreement, or to achieve the objective of the Project.”
8. Re-lettered Sub-section (h) of Section 4.02 is amended to read as follows:

"(h) **Ineligibility.** IBRD or IDA has declared the Recipient ineligible to receive proceeds of any financing made by IBRD or IDA or otherwise to participate in the preparation or implementation of any project financed in whole or in part by IBRD or IDA (including as administrator of funds provided by another financier); as a result of a determination by IBRD or IDA that the Recipient has engaged in fraudulent, corrupt, coercive or collusive practices in connection with the use of the proceeds of any financing made by IBRD or IDA."

9. Sub-section (c) of Section 4.03 is amended to read as follows:

"(c) **Fraud and Corruption.** At any time, the World Bank determines, with respect to any amount of the proceeds of the Grant, that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Recipient (or any agency thereof or any entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, or any other recipient of the proceeds of the Grant) without the Recipient (or any such agency thereof or any such entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, or any such other recipient of the proceeds of the Grant) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur."

10. Sub-section (a) of Section 4.05 is amended to read as follows:

"(a) If the World Bank determines that an amount of the Grant has been used in a manner inconsistent with the provisions of the Grant Agreement or these Standard Conditions, the Recipient shall, upon notice by the World Bank to the Recipient, promptly refund such amount to the World Bank. Such inconsistent use shall include, without limitation:

(i) use of such amount to make a payment for an expenditure that is not an Eligible Expenditure; or

(ii) (A) engaging in corrupt, fraudulent, collusive or coercive practices in connection with the use of such amount, or (B) use of such amount to finance a contract during the procurement or execution of which such practices were engaged in by representatives of the Recipient (or any agency thereof or any entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, or other recipient of such amount of the Grant), in either case without the Recipient (or such agency thereof or such entity in the West Bank and Gaza under the jurisdiction of the Palestinian Authority, or other such recipient) having taken timely and appropriate action satisfactory to the World Bank to address such practices when they occur."
11. Sub-section (j) of Section 5.03 is amended to read as follows:

"(j) If, within thirty (30) days after counterparts of the award have been delivered to the parties, the award has not been complied with, any party may: (i) enter judgment upon, or institute a proceeding to enforce, the award in any court of competent jurisdiction against any other party; (ii) enforce such judgment by execution; or (iii) pursue any other appropriate remedy against such other party for the enforcement of the award and the provisions of the Grant Agreement. Notwithstanding the foregoing, this Section shall not authorize any entry of judgment or enforcement of the award against the Recipient except as such procedure may be available otherwise than by reason of the provisions of this Section."

12. Paragraph (17) of the Appendix is deleted and, consequently, paragraphs (18) through (26) are re-numbered as paragraphs (17) through (25).